

Press Release

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Maybank to focus on liquidity and capital preservation amid softer global economic backdrop

- ***Priority also to work with affected borrowers for viable solutions to support employment & prevent business failures***

Maybank will continue to focus on strengthening its liquidity as well as preserving capital in efforts to deliver greater efficiency while remaining resilient in a rapidly changing operating landscape. Since 2015, the Group's capital and liquidity levels have been consistently higher than the full requirements, despite gradual implementation by regulators.

As at March 2020, the Group's Common Equity Tier 1(CET1) ratio strengthened to 14.79% while total capital ratio stood at a comfortable 18.50% (after the second interim dividend for FY2019), maintaining its position as one of the best capitalised banks in the region. Maybank's liquidity coverage ratio was at a healthy 138.2% - also way above the regulatory requirement of 100%.

Speaking at a press conference in conjunction with Maybank's 60th Annual General Meeting, Chairman of Maybank, Datuk Mohaiyani Shamsudin said, "Despite the significant market volatility and disruption as a result of the COVID-19 outbreak, the Group remained resilient as a result of the prudent stance we have taken over the years to build a solid foundation especially in terms of capital and liquidity while maintaining a credible balance between growth and profitability."

"We also recognise that the world is going through an unprecedented period, affecting every segment of our communities and while it is paramount that the Group ensures that its business and financial efforts are able to mitigate the impact, it is also our utmost priority to support our customers and the communities as they are the heart of any thriving organisation," she added.

Apart from that, Datuk Mohaiyani said the Group will look at strengthening its sustainability agenda as well as supporting its clients impacted by the COVID-19 outbreak, even as it seeks to continue creating value for all its stakeholders in spite of the pandemic.

Meanwhile, Group President & CEO Datuk Abdul Farid Alias said that the Group will continue to place strong emphasis in operational resilience, creating digital solutions and supporting its customers to ensure their business viability, including the SME segment which is a critical component of the economy.

"Our main intent has been to see our customers through this period and to support the domestic economies of our home markets. We are committed to help keep them afloat, support employment and prevent business failures in the near term," he explained. "As such, we have worked with our home market regulators to lead discussions and roll-out solutions that help provide temporary reprieve to cash flow constraints many are experiencing as a result of supply and demand disruptions and labour market dislocation."

Datuk Farid said that in Malaysia, more than 70% of Maybank's loan book is currently under moratorium, relief or rescheduling & restructuring programmes.

"For the SME segment, around 88% of our SME outstanding loans are under the six month moratorium," he added. "Maybank has approved up to RM2.1 billion of BNM's Special Relief Fund (SRF) aimed at providing funding assistance, which is a 77% approval rate from applications we have received. Our total financing to SMEs, including that under the SRF for the first 5 months of this year stands at RM4.9 billion which is an 85% approval rate."

He also said that in Singapore, the Group was seeing a gradual take-up of the moratorium and relief programmes made available and have engaged over 2,300 Retail SME and Business Banking customers. Meanwhile, Maybank Indonesia has engaged almost all its non-retail debtors including 80 corporate customers and 7,700 Community Financial Services non retail customers to assess their business conditions and proactively engage them on restructuring, where needed.

Other relief programmes extended to consumers in our various markets include credit card relief assistance plans, insurance premium payment deferral options and waivers offered for using online platforms such as for interbank ATM or SST cash withdrawals.

Datuk Farid added that other priorities for 2020 include pursuing income-related leads through selective loan expansion in line with the Group's risk appetite, non-interest income growth through its investment and trading portfolio as well as debt capital market deals, in addition to prioritising CASA growth as a cheaper funding source to mitigate NIM compression.

The Group will also continue with its existing cost management discipline, while proactively engaging borrowers who are facing tighter cash flow conditions, including oil and gas borrowers given the low oil prices, to render the necessary support needed.
